

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1443 - SB 1476

March 5, 2016

**SUMMARY OF ORIGINAL BILL:** Reduces, from 60 to 14 days, the time period for which any person engaged in the business of motor vehicle towing or storage may charge the owner or lienholder of a motor vehicle a storage fee without consent of the owner or lienholder and without the owner or lienholder being notified, by registered mail return receipt requested, that the business owner intends to charge additional fees for any additional days.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (013104):** Deletes all language of the original bill. Reduces, from 60 to 21 days, the time period for which any person engaged in the business of motor vehicle towing or storage may charge the owner or lienholder of a motor vehicle a storage fee without consent of the owner or lienholder and without the owner or lienholder being notified, by registered mail return receipt requested, that the business owner intends to charge additional fees for any additional days.

Adds two new sections prior to the effective date clause that (1) reduces from 14 to 10 days the period of time by which the owner of a motor vehicle storage or towing business must provide notice to the owner or lienholder of a motor vehicle prior to imposing any additional storage fee beyond the period of time established in Tenn. Code Ann. § 55-23-103, and (2) removes a current exemption codified in Title 55, Chapter 23, or the *Motor Vehicle Storage Act of 1980*, for counties which have a metropolitan form of government, effectively applying the Act to counties with metropolitan forms of government.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Currently, a towing or storage business can charge a storage fee for 60 days prior to notifying the owner or lienholder of a motor vehicle that additional storage fees will be

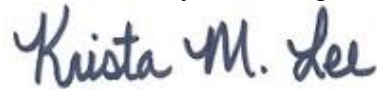
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imposed. Such notification is currently required to be sent 14 days prior to imposing additional storage fees.

- This legislation affects the relationship between two private parties, primarily the owner of a motor vehicle and a storage business.
- Local governments do not meet the definition of “person” as defined in Tenn. Code Ann. § 55-23-102; therefore, this legislation would not apply to storage or impound lots operated by local governments.
- According to the Department of Safety and Homeland Security (DOSHS), the Tennessee Highway Patrol (THP) would need to provide information regarding this law to troopers through a legislative update or during regularly scheduled annual in-service training.
- Also, THP District Wrecker Lieutenants would need to ensure that towing companies operating in the THP rotating schedule are aware of this law. All of these duties can be accomplished within the existing resources of the Department utilizing existing staff.
- Amendment 013104 removes the exemption to the *Motor Vehicle Storage Act of 1980* currently applied to metropolitan forms of government in Tennessee. Currently, there are three metropolitan forms of government in Tennessee: Hartsville - Trousdale County; Lynchburg - Moore County; Nashville - Davidson County.
- Applying the *Motor Vehicle Storage Act of 1980* to metropolitan forms of government in Tennessee will have no significant fiscal impact on state or local government. This Act makes requirements upon owners of motor vehicle storage and towing services with regards to storage fees.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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